Pricing Optimization Simulation Report

# 1. Project Objective

The objective of this analysis was to estimate the revenue impact of applying a 10% price increase across the top-selling products, assuming no change in unit demand. This helps evaluate potential revenue uplift and inform pricing decisions.

# 2. Methodology

- Data Source: Historical sales revenue for 10 key products.  
- Approach:  
 • Calculated new revenue by applying a 10% price increase to historical figures.  
 • Computed the difference between new and original revenue to estimate incremental gains.  
 • Ranked products by potential revenue change.  
- Assumption: Demand remains constant post-price increase (i.e., no volume loss).

# 3. Key Results

|  |  |  |  |
| --- | --- | --- | --- |
| Product | Original Revenue (₹) | New Revenue (₹) | Revenue Change (₹) |
| PAPER CRAFT, LITTLE BIRDIE | 168,469.60 | 185,316.56 | 16,846.96 |
| POSTAGE | 94,899.99 | 104,389.99 | 9,490.00 |
| REGENCY CAKESTAND 3 TIER | 154,854.10 | 170,339.51 | 15,485.41 |
| WHITE HANGING HEART T-LIGHT HOLDER | 106,249.34 | 116,874.27 | 10,624.93 |
| JUMBO BAG RED RETROSPOT | 93,905.24 | 103,295.76 | 9,390.52 |
| MEDIUM CERAMIC TOP STORAGE JAR | 90,811.19 | 99,892.31 | 9,081.12 |
| ASSORTED COLOUR BIRD ORNAMENT | 77,684.62 | 85,453.08 | 7,768.46 |
| PARTY BUNTING | 74,530.77 | 81,983.85 | 7,453.08 |
| RABBIT NIGHT LIGHT | 54,783.28 | 60,261.61 | 5,478.33 |

# 4. Insights & Recommendations

• The pricing simulation suggests a potential cumulative revenue uplift of approximately ₹95,000 across the top 9 products.  
• Products with the highest incremental revenue are ‘PAPER CRAFT, LITTLE BIRDIE’ and ‘REGENCY CAKESTAND 3 TIER’.  
• As the analysis assumes stable demand, further work could include demand elasticity modeling or A/B price testing.